



The Idaho Compliance Connection



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A Review of State Licensing Requirements

Executive Order 2017-06

On May 19, 2017, Executive Order 2017-06 was issued by Idaho's then-Acting Governor Brad Little directing a "sweeping review of Idaho's occupational licensing requirements" by various agencies with regulatory authority to issue a professional, occupational or vocational license to an individual under 57 different chapters of law.

Over the course of the next year information will be collected through various email channels from interested parties, such as those individuals currently licensed by an agency, soliciting ideas for improvement, modification or potential elimination of requirements and the consideration of advancements in technology since many of the laws were originally enacted.

For its part, the Idaho Department of Finance, in addition to making contact with individual mortgage loan originators, securities sales agents and investment advisor representatives, has set up a webpage with links to various channels through which individuals can submit comments as well as link to related licensing and registration statutes. The webpage and email links will remain open through May 1, 2018.



C.L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

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Acting Director
Idaho Department of Finance
(208) 332-8000
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NEWS RELEASE

FOR IMMEDIATE RELEASE

June 16, 2017

Department of Finance Seeks Comments from Licensees and Registrants for Improvements in Licensing and Registration Processes

(Boise) – The Idaho Department of Finance announced today that before the end of June it will be reaching out by email and U.S. Mail to thousands of individuals licensed to provide financial services in Idaho to seek input on the department's licensing processes. Information on how licensees can provide input will also be available on the department's website, www.finance.idaho.gov.

"The department licenses thousands of professionals who provide valuable financial services to Idahoans," said Acting Director Mary Hughes. "Although the department is obliged to meet minimal legal requirements for licensing individuals who provide professional financial services, we want to make certain that the department's processes do not create unnecessary barriers to commerce or employment."

On May 19, 2017, Acting Governor Brad Little issued [Executive Order 2017-06](#) directing a statewide review of individual licensing requirements within the executive branch of Idaho's government.

"The mission of the Idaho Department of Finance is to aggressively promote access to vigorous, healthy and comprehensive financial services for Idahoans," said Hughes. "The department has a proud history of fostering open and candid communications with the individuals it licenses, and we look forward to full participation in the important undertaking of reviewing the state's licensing processes for individuals engaged in professional, technical, and occupational endeavors."

Consumers can obtain information about financial firms, professionals or products, as well as view more Department press releases and other information on the Internet at www.finance.idaho.gov or by contacting the Department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.

PROTECTING THE INTEGRITY OF IDAHO FINANCIAL MARKETS SINCE 1905

Top Consumer Complaints

Mortgage Servicers

- Foreclosure issues
- Insurance related -- escrow account issues

Mortgage Loan Originators

- Disclosure issues

Debt/Credit Counseling and Collection Agencies

- Unlicensed activity
- Account disputes

Mortgage Broker/Lender

- Communication and customer service

Payday/Title and Consumer Lenders

- Payment and disclosure disputes
- Account dispute -- application of interest and fees



Did you know....

- CSBS launched a new website solely dedicated to the redevelopment of NMLS 2.0. Visit <https://new.nmls.org> to participate in the opportunity to help improve operations, enhance the user experience and help build a more modern platform.
- The number one reason collection agent notification filings fail in Access Idaho submissions to the Department is due to incorrect date configuration. Use of the calendar function to insert any date by the licensee, instead of manual input, will alleviate this problem.
- The Primary Contact Person listed on all license applications and renewals CANNOT be a third-party firm or non-employee of the applicant or licensee. Third-party persons may listed as Secondary-contact personnel only.
- Consumer Lender and Collection Agency licensees are strongly encouraged to transition their license records to the NMLS and maintain their licenses electronically—especially those with an existing NMLS record for another state. Licensees gain access to their records almost 24/7 from any location with access to the internet allowing for amendment updates, renewals, new applications, training information, reports and more at their convenience. Call for more information!
- The Bureau does not mail annual renewal forms. For years the Bureau has sent courtesy email notifications as a reminder to renew licenses and how to obtain necessary forms and information. ***It is important that all licensees keep current email addresses on file with the Bureau.*** Maintaining a current email address associated with your company's contact person, that several employees have access to, will help your company stay abreast of important communications from the Department of Finance.
- The Bureau does not issue paper licenses for ***any*** of its license programs and does not require proof of licensure to be posted by the licensee within its offices. All approved license information is displayed on the Department's website at <http://www.finance.idaho.gov>, along with renewal confirmation and other detailed information. Licenses may additionally be verified in NMLS Consumer Access at <http://www.nmlsconsumeraccess.org> for mortgage broker/lenders, mortgage loan originators, and transitioned regulated lenders, payday lenders, and collection agencies.
- As of May 31, 2017, the Bureau has processed over 68,500 loan originator sponsorship/relationship requests since January 2, 2008 when the NMLS went live. *These transactions are solely related to employment changes.*
- Between June 1, 2016, and May 31, 2017, Bureau examiners participated in 20 consumer education conferences, high school and college financial education training programs reaching over 1,570 participants and attendees.
- If your internal control systems block batch or bulk emails you may want to contact your IT Department about changing that or adding the Department's domain as a safe sender.
- Beginning July 1, 2017, mortgage companies applying for a **new** Idaho mortgage broker/lender license will be required to submit financial statements with the application filing. This will not apply to companies that already hold Idaho mortgage broker/lender licenses, new branch applications or license renewal applications.

ENFORCEMENT ACTIONS

June 1, 2016 through May 31, 2017



COLLECTION AGENCIES, DEBT/CREDIT COUNSELORS, DEBT BUYERS, DEBT SETTLEMENT COMPANIES, CREDIT REPAIR COMPANIES

APG & ASSOCIATES aka APGOFNY.COM (Location unknown) --June 13, 2016-- Order to Cease and Desist issued against third party debt buyer engaging in unlicensed activity under the Idaho Collection Agency Act. The order required APG & Associates aka APGOFNY.COM to immediately cease and desist from engaging in third party debt collection activity in Idaho without a license under the Idaho Collection Agency Act.

PROCOLLECT, INC. (Dallas, Texas) -- December 27, 2016-- Order to Cease and Desist issued against this third party collection agency engaging in unlicensed activity under the Idaho Collection Agency Act. Additionally, the order alleged that ProCollect, Inc. claimed it would submit a collection agency license application but failed to do so and ignored the Department's requests for additional information. The order required ProCollect, Inc. to immediately cease and desist from engaging in third party debt collection activity in Idaho without a license under the Idaho Collection Agency Act.

NATIONAL PRINCIPAL GROUP, LLC (Buffalo, New York) -- January 10, 2017-- Order to Cease and Desist issued against this third party collection agency engaging in unlicensed activity under the Idaho Collection Agency Act. Additionally, the order alleged that National claimed it was unaware of the licensing requirement, was in the process of submitting a collection agency license application but an application was never received. The order required National to immediately cease and desist from engaging in debt collection activity in Idaho without a license under the Idaho Collection Agency Act.

RENT RECOVERY SOLUTIONS, LLC (Atlanta, Georgia) -- On January 31, 2017-- Order to Cease and Desist issued against this third party collection agency engaging in unlicensed activity under the Idaho Collection Agency Act. The order required RRS to immediately cease and desist from engaging in debt collection activity in Idaho without a license under the Idaho Collection Agency Act.

THE CREDIT PROS INTERNATIONAL CORPORATION (Newark, New Jersey) -- March 4, 2017-- Consent Order entered addressing unlicensed credit repair activity under the Idaho Collection Agency Act. The company neither admitted nor denied the unlicensed activity; agreed to refund all fees collected from all Idaho residents and agreed that until it was issued a license, the company would not engage in any activity in Idaho for which a license is required. The company paid to the Department attorney fees and investigative costs in the amount of \$2,500. The company had previously entered into a Consent Order with the Department on March 30, 2012 for similar violations. The Credit Pros International Corporation applied for and was granted an Idaho collection agency license.

MORTGAGE LOAN ORIGINATORS

SASSAN MESDAGHI SASSAN MESDAGHI (Laguna Beach, California) --November 17, 2016-- Order Denying Mortgage Loan Originator License Application issued for failure to disclose on the license application that he had outstanding federal tax liens filed against him. Mesdaghi did not request a hearing on the matter.

ALLAN RAY EICHHORN (Meridian, Idaho) --February 16, 2017-- Final Order issued concluding the denial of Allan Ray Eichhorn's loan originator application. A Notice of Denial of Mortgage Loan Originator License Application and Notice of the Opportunity to Request a Hearing was issued on February 9, 2017, based on a failure to disclose required information on the license application regarding outstanding court judgments. Eichhorn waived his right to an administrative hearing on February 15, 2017, and the Final Order was issued.

ANTERO DAVID ITURRIRA (San Diego, California) -- March 23, 2017--Consent Order issued addressing Antero David Iturriria and Bernadette Iturriria's submission of falsified documents to the Department during the process of renewing an Idaho mortgage loan originator license. A Notice of Intent to Issue Order Revoking Mortgage Loan Originator License and Notice of the Opportunity to Request a Hearing was issued on November 7, 2016. Iturriria requested a hearing on the matter, but after reviewing Department exhibits, Iturriria withdrew that request. Iturriria admitted to the allegations that the documents he provided to the Department were falsified and Bernadette admitted to intentionally falsifying them. Iturriria further agreed not to reapply for a loan originator license with the Department for a period of five years from the date of the Consent Order.

DANIEL LANE FULLMER (Meridian, Idaho) -- May 18, 2017-- Consent Order issued addressing Daniel Lane Fullmer's violations of the Idaho Residential Mortgage Practices Act, the applicable rules pursuant to the Act, and Regulation Z, 12 CFR § 1026.42, which is incorporated into the Idaho Rules. Fullmer admitted to attempting to influence appraiser valuations. Fullmer agreed to have his mortgage loan originator license suspended for the remainder of the year and agreed that he would not reapply for an Idaho loan originator license for a period of two years from the date of the Consent Order and would not become a designated "control person" (as defined by Idaho Code § 26-31-102(2)) of an Idaho licensed mortgage broker/lender location for a period of three years from the date of the Consent Order.

MORTGAGE BROKER/LENDERS

AMERICAN ADVISORS GROUP dba AMERICAN ADVISORS GROUP, INC. (Orange, California) -- April 13, 2017-- Consent Order issued addressing violations of the Idaho Residential Mortgage Practices Act, the rules pursuant to the Act, and the federal Truth in Lending Act, implemented by Regulation Z. The Department found that AAG over-collected Government Recording Charges (GRCs) from Idaho borrowers and failed to develop or implement adequate oversight policies. AAG agreed to pay to the Department an administrative penalty in the amount of \$125,000 with \$50,000 suspended pending an examination by the Department during calendar year 2018. AAG paid to the Department the administrative penalty of \$75,000 and attorney fees and investigative costs in the amount of \$500.

OCWEN LOAN SERVICING, LLC (West Palm Beach, Florida) -- April 20, 2017-- Order to Cease and Desist issued against this mortgage loan servicing company addressing violations of the Idaho Residential Mortgage Practices Act. The order required Ocwen to immediately cease and desist from acts, practices, or omissions which constitute a violation of the Act and corresponding rules.

REGULATED LENDERS, TITLE LENDERS AND PAYDAY LENDERS

MAGIC VALLEY FINANCE, INC. (Twin Falls, Idaho) -- January 31, 2017-- Consent Order issued addressing unlicensed activity under the Idaho Credit Code. The company admitted to the allegations, to include extending numerous regulated loans to Idaho residents between October 27, 2014, and at least August 17, 2017, without a license and agreed to pay to the Department attorney fees and investigative costs in the amount of \$5,500. Magic Valley Finance, Inc. applied for and was granted an Idaho regulated lender license.



NMLS Training
October 10 - Idaho Falls
October 11 - Boise
October 12 - Coeur d'Alene

SAVE THE DATE!!

IAMP and IMLA Members: \$75 Non-Members: \$149

IAMP, and IMLA, in conjunction with the Idaho Department of Finance
present **8 Hours of Continuing Education**

Class Includes: ALL CLASSES DIFFERENT FROM LAST YEAR!!

2 Hours Ethics --- 2 Hours Non-Traditional --- 1 Hour State -- 3 Hours Federal

MORE INFORMATION –

208-321-9309 OR TOTTENS@AMSIDAHO.COM

OR WWW.IDAHOMORTGAGEPROFESSIONALS.ORG

Registration Available in July



Consumer Finance Bureau Statistics

As of May 31, 2017

Active Licensees (as of 5-31-2017)

| | |
|---|--------|
| Mortgage Brokers/Lender | 875 |
| Mortgage Loan Originators (Approved-Active) | 3403 |
| Mortgage Loan Originators (Approved-Inactive) | 644 |
| Regulated Lenders (Inc. Title Lenders) | 620 |
| Payday Lenders | 155 |
| Collection Agencies | 595 |
| Debt/Credit Counselors | 29 |
| Debt Buyers | 70 |
| Credit Repair Company/Organizations | 5 |
| Debt Settlement Companies | 8 |
| Collection Agency Agents/Solicitors | 56,450 |

New Applications Received (6-1-16 to 5-31-17)

| | |
|---------------------------------------|------|
| Mortgage Brokers/Lenders | 294 |
| Mortgage Loan Originators | 1863 |
| Regulated Lenders (Inc. payday/title) | 98 |
| Collection Agencies | 118 |

Revocations/Denials (6-1-16 to 5-31-17)

2

Withdrawals (6-1-16 to 5-31-17)

| | |
|---------------------------------------|-----|
| Mortgage Broker/Lenders | 146 |
| Mortgage Loan Originators | 556 |
| Regulated Lenders (Inc. Payday/Title) | 57 |
| Collections | 51 |

Terminations (failed to renew licenses) (6-1-16 to 5-31-17)

| | |
|---------------------------------------|-----|
| Mortgage Broker/Lenders | 24 |
| Mortgage Loan Originators | 595 |
| Regulated Lenders (Inc. Payday/Title) | 21 |
| Collection (all categories) | 122 |

Exams Conducted (6-1-16 to 5-31-17)

| | |
|---------------------------------------|-----|
| Mortgage Brokers/Lenders | 51 |
| Branches | 60 |
| MLOs | 243 |
| Regulated Lenders (Inc. Payday/Title) | 29 |
| Branches | 15 |
| Collection Agency | 6 |

Complaints filed (written) (6-1-16 to 5-31-17)

| | |
|--|----|
| Mortgage (Origination/servicing) | 27 |
| Loan Originators | 1 |
| Collection Agency | 45 |
| Payday Lender, Regulated Lender (Finance Co., Payday, Title) | 56 |
| Idaho/Federal Chartered Banks and Credit Unions | 41 |
| Unlicensed Activity (all categories) | 48 |

Complaints Closed (6-1-16 to 5-31-17)

279



Important Dates to Remember



Renewals

Collection Agencies -- Paper Submissions

Collection Agencies--NMLS

Regulated Lenders (includes payday and title lenders)

Paper Submissions reinstatement with fee

Regulated Lenders (includes payday and title lenders) - NMLS

Reinstatement with fee

Mortgage Brokers/Lenders

Reinstatement with fee

Mortgage Loan Originators

Reinstatement with fee

Annual Reporting of Activity

Collection Agencies (“paper” or NMLS licensees)

Mortgage Broker/Lenders Call Reports (MCR)

Regulated Lenders (“paper” or NMLS licensees)

Reinstatement with fee

*Idaho Collection Agency **Annual** Agent Report filings are due March 15 and **Quarterly** Agent Report filings are due on June 15, September 15 and December 15 regardless of whether company license records are maintained in a “paper” format or electronically on NMLS, or whether agent filings are reported on paper or electronically through Access Idaho. These must be filed **close to the 15th** and no more than 30 days prior. **Please mark your calendar.**

COLLECTION AGENT QUARTERLY REPORT INSTRUCTIONS

Paper Report Filers

(Only applicable for initial license applications and those reporting less than 100 agents/RPICs in any quarter, including annual report. All others must file electronically through Access Idaho)

- Quarterly Notifications are due June 15, September 15, and December 15;
 - Annual Notifications are due March 15;
 - Reports must be dated no more than 30 days prior to the due date;
 - Complete the entire top left portion of the report and mark the box on the right indicating which quarter is being reported;
 - The list must be in alphabetical order and by location order;
 - List terminated agents at the end of the Quarterly Report in alphabetical order;
 - Attach explanations and supporting documentation if checked “yes” for any felony or misdemeanor answers;
 - A fee of \$20.00 (each) for all newly activated agents or RPICs must accompany the reports filed for the periods ending June 15, September 15 and December 15;
 - Attach ONE check payable to the Idaho Department of Finance for the total fees due (\$20 for each new agent/RPIC you are registering);

Access Idaho Filers

- Quarterly Notifications are due June 15, September 15, and December 15;
 - Annual Notifications are due March 15;
 - Filing window will open 30 days prior to due date;
 - Email explanations and supporting documentation to collections@finance.idaho.gov if checked “yes” for any felony or misdemeanor answers;
 - Payment made be made via e-check, ACH or credit card.



USPS

REGULAR MAIL

Idaho Department of Finance
PO Box 83720
Boise, ID 83720-0031

OVERNIGHT DELIVERY

Idaho Department of Finance
800 Park Boulevard, Suite 200
Boise, ID 83712

Consumer Finance Bureau: (208) 332-8002

Website:

www.finance.idaho.gov

Email Contacts

General Mortgage Company
mortgage@finance.idaho.gov

Mortgage Loan Originators:
mlo@finance.idaho.gov

Regulated Lenders, Title Lenders,
Payday Lenders:
iccmil@finance.idaho.gov

Collection Agency Licenses:
collections@finance.idaho.gov

Access Idaho Agent Filings
agents@finance.idaho.gov

This newsletter is produced semi-annually as a part of the Consumer Finance Bureau's continued communication outreach with the companies it regulates. Delivery is provided by electronic notification of its availability on the Department's website at www.finance.idaho.gov.

Suggestions and comments concerning the newsletter or its contents should be sent to the Bureau at PO Box 83720, Boise, Idaho 83720-0031 or via email to **K.C.Schaler@finance.idaho.gov**